

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

Technical Standards for Determining Eligibility)
For Satellite-Delivered Network Signals Pursuant)
To the Satellite Home Viewer Improvement Act)

ET Docket No. 00-90

To: The Commission)

REPLY COMMENTS
OF THE
NATIONAL RURAL TELECOMMUNICATIONS COOPERATIVE

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Dated: July 12, 2000

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REPLY COMMENTS

Pursuant to Sections 1.415, 1.419 and 1.430 of the Rules and Regulations of the Federal Communications Commission (“FCC” or “Commission”), 47 C.F.R. §§ 1.415, 1.419 and 1.430, the National Rural Telecommunications Cooperative (“NRTC”), by its attorneys, hereby submits these Reply Comments in the above-captioned proceeding.

NRTC supports the efforts of the Commission to ensure that rural Americans are able to receive acceptable television pictures, and in particular, supports this *Notice of Inquiry* (“*NOI*”) to consider alteration of the antiquated Grade B standard for determining eligibility to receive retransmitted distant network signals.

NRTC urges the Commission to recommend to Congress that a new standard be developed that would deem a household eligible to receive a distant network signal unless the household is able to receive an over-the-air signal comparable to the quality of the picture received by satellite. Additionally, NRTC suggests the Commission conduct an independent study to determine current viewer expectations. Without establishing a more accurate standard based on a reliable assessment of current viewer expectations, millions of rural viewers will remain unserved, because they are inappropriately deemed “served” under the outmoded Grade B standard.

A. THE GRADE B STANDARD IS OUTDATED AND INADEQUATE.

The Commission developed the Grade B standard in the 1950s and has used it in a variety of contexts, many of which were not envisioned at the time it was created.¹

¹ *Satellite Delivery of Network Signals to Unserved Households for Purposes of the Satellite Home Viewer Act; Part 73 Definition and Measurement of Signals of Grade B Intensity*, CS Docket No. 98-201, 14 FCC Rcd 2654 (adopted Feb. 1, 1999) (“SHVA Report and Order”) at 15.

There is no doubt that “acceptable quality” levels have changed dramatically in the last 50 years with the advent of new technologies and heightened consumer expectations.² In requiring the Commission to initiate this inquiry, Congress clearly recognized that the Grade B standard may well be out-of-date and inadequate for purposes of determining eligibility to receive distant network signals by satellite. Creating an improved picture quality standard is long overdue and necessary to ensure that countless unserved households are not wrongly deemed ineligible to receive distant network stations via satellite.

B. THE COMMISSION SHOULD RECOMMEND A STANDARD THAT WILL ENSURE RURAL VIEWERS RECEIVE AN OVER-THE-AIR SIGNAL AT LEAST COMPARABLE TO THE SIGNAL AVAILABLE VIA SATELLITE.

A DBS subscriber receiving a Grade B signal is automatically deemed ineligible to receive distant network signals via satellite, regardless of the actual over-the-air picture quality. However, that viewer should be entitled to receive the best available picture quality whether viewing a DBS signal or a local broadcast signal. The Commission implicitly recognized this basic consumer right, when it asked whether “television pictures received by over-the-air reception [should] be comparable to those received from satellite.” *NOI* at ¶ 15. The Commission should recommend that Congress adopt a standard reflecting current consumer expectations. Households should be eligible to receive distant network signals unless they are able to receive an over-the-air signal at

² See Comments of the Satellite Broadcasting and Communications Association (“SBCA”) at p. 2 (“Grade B signal strength values . . . are generally acknowledged to be woefully outdated and no longer valid”); Comments of Echostar Satellite Corporation (“Echostar”) at p. 5 (“Indeed, there can be no question that the typical television viewer today expects a vastly better television picture”).

least comparable to the picture quality received by satellite.

C. AT A MINIMUM, THE COMMISSION SHOULD UNDERTAKE A STUDY TO ASSESS CURRENT VIEWER EXPECTATIONS.

The Commission noted a lack of current studies of viewer expectations. *NOI* at ¶ 14. Both broadcasters and the satellite industry agree that there are no current studies of viewer expectations.³ Yet neither group has indicated a willingness to conduct such a study. Even though there are no current studies of current viewer expectations, others agreed with NRTC that viewer expectations have certainly changed in the past half century since the Grade B standard was established.⁴ This view is based on the unquestionable success and growth of DBS and cable services, which is due in large part to the superior picture quality available from such non-broadcast distribution. This higher picture quality has raised the bar for the entire broadcast, cable and satellite video delivery industry.

The current lack of reliable studies will only perpetuate the status quo under which millions of rural viewers remain unserved and ineligible to receive distant network signals. It is unrealistic to expect either the satellite industry or broadcasters to conduct scientifically valid, neutral tests to determine viewer expectations on their own initiative. That task is more appropriately conducted under the Commission's auspices.

³ Comments of Fox Television Stations, Inc. at p. 3 ("Absolutely no empirical evidence suggests that viewers' perception of picture quality has changed"); Comments of SBCA at p. 9 ("an updated, scientifically valid study on viewer expectations of acceptable television picture quality may be warranted and that at present, no such study exists"); Joint Comments of ABC et al. at 7 ("there is no reliable evidence . . . that viewer expectations have changed").


⁴ See, e.g., Comments of Echostar at p. 5.

D. CONCLUSION

NRTC urges the Commission to recommend that Congress establish a Grade B standard sufficient to ensure that over-the-air television picture quality is at least equal to that provided today by satellite carriers. Failure to do so will mean viewers will be unable to receive the best available picture quality, either from over-the-air local affiliates or DBS-provided distant networks. To establish an appropriate standard, the Commission should undertake an independent study to determine current viewer expectations.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Cassandra L. Hall, do hereby certify that copies of the foregoing **Reply Comments of the National Rural Telecommunications Cooperative** were sent, via hand delivery, this 12th day of July, 2000, to the following:

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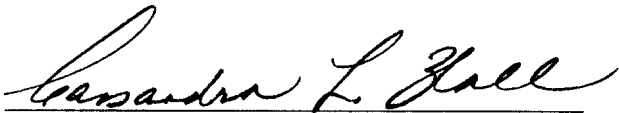
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